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Richardson v. Suzuki Motor Co. Ltd. (CA FC) 9 USPQ2d 1913 (2/16/1989)

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Richardson v. Suzuki Motor Co. Ltd. (CA FC) 9 USPQ2d 1913

**Richardson v. Suzuki Motor Co. Ltd.**

**U.S. Court of Appeals Federal Circuit**  
**9 USPQ2d 1913**

**Decided February 16, 1989**

**Nos. 87-1497, -1498, -1502, 88-1083, -1084**

**Headnotes**

**PATENTS**

**1. Patentability/Validity -- In general (§ 115.01)**

**JUDICIAL PRACTICE AND PROCEDURE**

**Procedure -- Jury trials (§ 410.42)**

Jury may decide questions of anticipation and obviousness, either as separate special verdicts or en route to verdict on validity, which is also proper question for determination by jury, since there is no reason to distinguish submission of legal questions to jury in patent cases from such jury submissions routinely made in other types of cases.

**PATENTS**

## **2. Patentability/Validity -- Anticipation -- Prior art (§ 115.0703)**

Jury's "advisory" verdict that patentee's rising rate motorcycle suspension was not anticipated, and federal district court's independent holding of validity, are affirmed since reasonable jury could have concluded that claim in issue was not anticipated, in view of totality of evidence including prior art consisting of two prior motorcycle suspension patents and two designs for race car suspensions, and since analysis of district court's decision, based on same prior art, shows no clear error.

## **3. Patentability/Validity -- Obviousness -- Evidence of (§ 115.0906)**

# **JUDICIAL PRACTICE AND PROCEDURE**

## **Procedure -- Jury trials (§ 410.42)**

Federal district court's conclusion, after jury entered verdict of nonobviousness, that obviousness of plaintiff's invention had not been proven and that claim in issue is not invalid, is affirmed despite court's erroneous belief that obviousness issue could only be presented to jury for "advisory" verdict, since review of record shows that there was substantial evidence on which reasonable jurors could conclude that claim had not been proved obvious, and therefore no reversible error occurred.

# **PATENTS**

## **4. Infringement -- Doctrine of equivalents -- In general (§ 120.0701)**

# **JUDICIAL PRACTICE AND PROCEDURE**

## **Procedure -- Jury trials (§ 410.42)**

Federal district court's judgment of infringement, entered on jury verdict of infringement, is affirmed despite jury's special verdicts that defendant's motorcycle rear suspension linkages are not "equivalent" to patented system, since jury was given incorrect definition of "equivalents" and special verdict interrogatories were prejudicial in that they focused on differences between patented and accused devices without mention of similarities, and since, given correct instructions, reasonable jury could not have found that accused systems, which contain every element of relevant claims but one, are not equivalent to claimed invention.

# **REMEDIES**

**5. Monetary -- Damages -- Patents -- Reasonable royalty (§ 510.0507.03)**

Jury's award of 50 cents for each infringing motorcycle sold by defendant as damages for infringement of plaintiff's motorcycle suspension system is vacated, since federal district court improperly instructed jury that infringement was "relatively minor," and since, absent such prejudicial instruction, there was no reasonable basis on which jury could have found that royalty awarded was reasonable.

**PATENTS**

**6. Title -- Construction of license agreement (§ 150.07)**

**TRADEMARKS AND UNFAIR TRADE PRACTICES**

**Trade secrets -- In general (§ 400.01)**

Federal district court incorrectly instructed jury that only "valid trade secrets" were subject to restraints in contract between plaintiff and defendant since, in view of defendant's agreement not to use or disclose "technical information, know-how, inventions, use data, and design specifications" that it received from plaintiff, jury instructions limited scope of protected information beyond that set forth in contract.

**7. Trade secrets -- Elements of trade secret (§ 400.03)**

**Trade secrets -- Disclosure and misappropriation (§ 400.07)**

Federal district court erred by instructing jury that information defendant could have developed on its own was not subject to trade secret protection, that "slavish" copying is necessary for trade secret misappropriation, and that jury could decide whether plaintiff could have both valid patent and legal protection for later-developed information on patented invention, since information capable of independent development or discovery from other sources is not excluded from trade secret protection, misappropriator cannot escape liability by showing modification of, or improvement upon, protected information, and legal status of information and improvements made after patent application has been filed is independent of presence or absence of patent application or ensuing patent.

**8. Trade secrets -- Elements of trade secret (§ 400.03)**

## **JUDICIAL PRACTICE AND PROCEDURE**

### **Procedure -- Jury trials (§ 410.42)**

Federal district court abused its discretion in granting defendant's motion for new trial on issue of whether certain information constituted trade secrets, since court may not vacate jury verdict unless verdict is contrary to clear weight of evidence, is based upon false evidence, or would cause miscarriage of justice, and since there was substantial evidence before jury that information in question was not publicly known, that defendant agreed to receive and preserve it in confidence, and that information fully satisfies statutory and jurisprudential requirements for protectible trade secrets.

## **REMEDIES**

### **9. Monetary -- Damages -- In general (§ 510.0501)**

Jury's assessment of \$104,000 in damages for defendant's use of certain information obtained from plaintiff is affirmed, since there was substantial evidence presented at trial that would enable jury to determine sum awarded.

### **10. Non-monetary and injunctive -- Equitable relief -- In general (§ 505.0701)**

#### **Non-monetary and injunctive -- Equitable relief -- Permanent injunctions (§ 505.0709)**

Federal district court erred in denying plaintiff's motion for injunction after entering final judgment in plaintiff's favor on issue of patent infringement, since irreparable harm is presumed when clear showing of patent validity and infringement is made and therefore injunction should issue if no sound reason exists for denying it, and patentee should not be denied its right to exclude others from using invention once infringement is established.

## **PATENTS**

### **11. Patent misuse -- Improper procurement and enforcement (§ 140.03)**

## **TRADEMARKS AND UNFAIR TRADE PRACTICES**

**Trade secrets -- Disclosure and misappropriation -- (§ 400.07)**